



Meeting of the Working Group on Rail Integration

Report

July 13, 2017 Radisson Victoria Plaza Plaza Independencia 759 Montevideo – Uruguay

On July 13, 2017, the city of Montevideo, Uruguay, hosted the Meeting of the Working Group on Rail Integration, which was attended by delegations from Argentina, Bolivia, Brazil, Chile, Colombia, Ecuador, Guyana, Paraguay, Peru and Uruguay, as well as by representatives of consulting and railway companies and of the COSIPLA-IIRSA Technical Coordination Committee. The meeting agenda and the list of participants are attached as Annexes 1 and 2, respectively.

The meeting was opened by Mr. Pablo Genta, National Director of Planning and Logistics, Ministry of Transport and Public Works of Uruguay, acting as the Chair of the Working Group, who welcomed the delegations and expressed his thanks to each National Coordination for its participation.

Mr. Genta said that the main objective of the meeting was to present the results of the "Study to provide input for drafting a strategy to facilitate South American Rail Integration," conducted with resources from the UNASUR Common Initiatives Fund (CIF). He added that an exchange of information on the existing rail connectivity and the rail connectivity projects underway would also take place, as would the definition of the next steps of the Working Group in relation to the recommendations of the study and the COSIPLAN Portfolio projects.

Next, consultants Mr. Roberto Agosta and Mr. Juan Pablo Martínez delivered a presentation on the main results of the study (Annex 3).

The Argentine delegation considered that this study contributed to setting up criteria and provided data, in addition to mark great progress in the discussion of the integration of this mode of transport. It stated that a key element in which headway must be made are professional studies on the demand in the corridors, i.e. to analyze current and future local production to simulate scenarios that are regarded as potentially feasible. This would help estimate the volumes of cargo transported and, based on facts, consider the financing possibilities and the capacity of this infrastructure projects to yield returns. Knowing the

demand would also shed light on the bioceanic nature of the corridors. The delegation considered that the analysis must be continued in more detail, taking into account a twofold purpose: border management and the complementarity of the transport modes.

The Bolivian delegation also thanked the study conducted, which refers to the Central Bioceanic Railway Corridor as the one with the greatest potential. The main purpose of the corridor is to take the cargo from the interior of the continent to both oceans, which absolutely calls for building the political support needed.

The Brazilian delegation also expressed its thanks for the report and stressed its importance for the countries. It stated that current trends suggest that mining and agricultural production would grow at double-digit rates, which makes rail transportation essential. This is coupled with a congestion of trucks in the region and the impact of this type of vehicles on the environment. The delegation mentioned the importance of an increased use of rail transportation along with the need for faster customs procedures to further the integration of the region.

The Chilean delegation expressed its interest in furthering the activities of this Working Group in order to enhance railway networks as the demand justifies the investments. It also regarded political support as fundamental to make progress in this type of projects. Moreover, it stressed the need to take into account environmental issues and intermodal transport, as rail transportation cannot be analyzed in an isolated manner but as an integral part of a logistics system.

The meeting continued with a block on integration rail corridors. First, a presentation on the progress made in the Salta - Socompa - Antofagasta Rail Corridor (Argentina - Chile) was delivered. Presentations were also made by representatives of companies Belgrano Cargas y Logística S.A. (Annex 4), Ferrocarril de Antofagasta a Bolivia (FCAB) (Annex 5), and FERRONOR S.A. (Annex 6).

Consulting firm Geoconsult presented the progress made in the study on the Salta -Socompa C14 Branch Line (a branch of the Belgrano Cargas railway), which is still underway (Annex 7), as well as a recent experience concerning improvements in the Austrian railway system (Annex 8).

Second, the Chilean Ministry of Transport and Telecommunications made a presentation on the South Trans-Andean railway within the framework of Argentina-Chile Bioceanic Corridor Subcommittee (Annex 9).

Lastly, the Bolivian Ministry of Public Works, Services and Housing and consulting firm Valoro Strategio, at the request of the Brazilian delegation (Annex 11), made a presentation on the Central Bioceanic Railway Corridor (Brazil - Bolivia - Peru) (Annex 10).

Finally, it was agreed to grant the National Coordinations until July 31 to send to the Uruguayan National Coordination their comments and observations on the Final Report of the study presented so that they can be incorporated into the final version to start the tasks concerned with the design and publication of the report. In addition, the countries were requested to send the rail projects that are more relevant to regional integration to the Uruguayan National Coordination.

List of Annexes

Annex 1: Agenda of the Meeting of the WG on Rail Integration

Annex 2: List of Participants in the Meeting of the WG on Rail Integration

Annex 3: Input for Drafting a Strategy to Facilitate South American Rail Integration. AC&A Global

Annex 4: Antofagasta - Socompa - Salta Rail Corridor. Belgrano Cargas y Logística S.A.

Annex 5: Antofagasta - Socompa - Salta Rail Corridor. Ferrocarril de Antofagasta a Bolivia

Annex 6: Antofagasta - Socompa - Salta Rail Corridor. FERRONOR S.A.

Annex 7: <u>High-Mountain Rail Transportation: A Study on the Salta - Socompa C14 Branch</u> <u>Line. Geoconsult ZT</u>

Annex 8: Improvements in the Railway Systems: The Austrian Experience. Geoconsult ZT

Annex 9: South Trans-Andean Railway. Chile's Ministry of Transport

Annex 10: <u>Central Bioceanic Railway Corridor. Bolivian Ministry of Public Works, Services</u> and Housing

Annex 11: Central Bioceanic Railway Corridor. Valoro Strategio

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